

Message Text

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PAGE 01 KARACH 00520 01 OF 02 070411 Z

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ACTION COME-00

INFO OCT-01 NEA-10 ADP-00 EB-11 HEW-08 SCI-06 TRSE-00

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R 061110 Z APR 73

FM AMCONSUL KARACHI

TO SECSTATE WASHDC 7112

INFO AMEMBASSY ISLAMABAD

AMCONSUL LAHORE

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E. O. 11642: N/ A

TAGS: EIND, PK

SUBJECT: PHARMACEUTICALS: SITUATION FOLLOWING BAN
ON RETAIL SALE OF BRAND NAME DRUGS

REF: A. ISLAMABAD 2745

B. KARACHI 0420 T

SUMMARY. FOUR DAYS AFTER APRIL 1 BAN ON SALE BRAND
NAME DRUGS GENERAL CONFUSION REIGNS HERE IN RETAIL DRUG
TRADE OVER WHAT CAN AND CANNOT BE SOLD UNDER WHAT GENERIC
RELABELING. PASSIVE RESISTANCE RETAIL PHARMACISTS TO
CHANGE OVER TO GENERIC HAS RESULTED IN ALMOST COMPLETE
BREAKDOWN OF LEGAL RETAIL
DRUG SALES SYSTEM IN KARACHI. AS PHARMACISTS HOPE
FOR SUCCESS THEIR LEGAL PETITION TO NULLIFY BAN ON BRAND
NAME SALES AND THEREFORE MARK TIME, DRUG MANUFACTURERS SEEKING
WAYS
TO COUNTER COMPETITION FROM FLY-BY-NIGHT FIRMS NEWLY
LICENSED TO PRODUCE GENERIC DRUGS. END SUMMARY.

1. GENERAL CONFUSION, NEAR CESSATION OPEN RETAIL
SALE PHARMACEUTICAL PRODUCTS AND HARDSHIP FOR THE
AILING IN KARACHI HAVE FOLLOWED BAN ON SALE OF BRAND
NAME DRUGS, WHICH TOOK EFFECT APRIL 1 IN ACCORDANCE
PROVISIONS GENERIC DRUG ACT. FOLLOWING CUT-OFF DATE
CHEMISTS WERE SUPPOSED TO TAKE INVENTORY OF BRAND
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PAGE 02 KARACH 00520 01 OF 02 070411 Z

NAME PRODUCTS WHICH WERE UNRELABELABLE WITH GENERIC EQUIVALENT FOR PRESENTATION TO MINHEALTH BY APRIL 7. FROM SURVEY CONDUCTED BY CONGENOFF AND LOCAL CONGEN STAFF, APPEARS THAT PHARMACISTS ARE MOVING VERY SLOWLY TOWARD COMPLETION SUCH STOCK- TAKING AND TOWARD ANY RESTOCKING WITH GENERIC ITEMS. SOME PHARMACISTS HAVE PASTED NEWSPAPER OVER GLASS CABINETS CONTAINING BRAND NAME ITEMS (WHICH COMPRISE LARGE MAJORITY STOCKS ON HAND) OR HAVE MOVED BRAND NAME DRUGS FROM CABINETS ONTO FLOOR AS PART OF " STOCK- TAKING PROCESS". ALSO APPEARS, DESPITE PHOTOGRAPHS OF RELABELED DRUGS IN PRESS, THAT VERY LITTLE RELABELING OF GENERIC EQUIVALENTS ON BRAND NAME PRODUCTS HAS ACTUALLY TAKEN PLACE. BY WAY OF EXCUSE FOR NON- ACTION, PHARMACISTS MENTION CONFUSION AS TO GENERIC EQUIVALENTS AND NON- ARRIVAL NEW LABELS FROM MANUFACTURERS.

2. DURING THIS CONFUSED INTEREGNUM PERIOD, PHARMACISTS, ALTHOUGH KEEPING THEIR DOORS OPEN FOR SALE OF TOILET ARTICLES, SWEETS, AND FEW GENERIC PRODUCTS THEY HAVE IN STOCK, ARE, IN ACCORDANCE WITH LAW, REFUSING SELL OTHER DRUGS TO ALL BUT KNOWN " SAFE" CUSTOMERS OWING FEAR OF ARREST BY MINHEALTH AGENTS. WHEN CONGENOFF ASKED ONE DRUGGIST IF HE WAS STILL SELLING BRAND NAME DRUGS, HE WAS ASKED, SOTTO VOCE, WHAT DRUGS HE WISHED TO BUY. HOWEVER, NON- AVAILABILITY DRUGS TO UNKNOWN CUSTOMERS HAS NO DOUBT RESULTED IN CONSIDERABLE HARDSHIP GENERAL PUBLIC AS REPORTED SEVERAL LOCAL NEWSPAPERS.

3. IN ADDITION TO PASSIVE RESISTANCE PHARMACISTS TO BRAND NAME BAN AS DESCRIBED ABOVE, CHEMISTS HAVE IN TURN TAKEN OFFENSIVE ACTION AGAINST MINHEALTH THROUGH COURTS. FIVE IDENTICAL WRIT PETITIONS CHALLENGING VALIDITY OF GENERIC DRUG ACT ON GROUNDS THAT SALE OF GOODS LEGALLY ACQUIRED CANNOT BE MADE ILLEGAL HAVE BEEN ADMITTED BY HIGH COURT OF SIND AND BALUCHISTAN AND WILL COME UP FOR HEARING ON APRIL 6. PETITIONS, PRESENTED BY EMINENT KARACHI ATTORNEY KHALID ISHAQUE FOR PHARMACISTS, REQUEST COURT TO FIND THAT GENERIC LAW PROVISIONS PREVENTING SALE, DISTRIBUTION OR STOCKING BRANDED MEDICINES AS WELL AS PENAL PROVISIONS PERTAINING

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PAGE 03 KARACH 00520 01 OF 02 070411 Z

THERE TO AFTER MARCH 31 BE DECLARED " VOID AND ULTRA VIRES OF THE CONSTITUTION". DESPITE FURTHER RELAXATION OF REGULATIONS CONCERNING RELABELING DRUGS WITH GENERIC EQUIVALENT WHICH HAS COME FROM MINHEALTH IN LAST FEW DAYS, PHARMACISTS CLEARLY WAITING OUTCOME THEIR COURT CASE BEFORE PROCEEDING WITH ANY EXTENSIVE STOCK- TAKING OR RELABELING.

4. DURING THE LAST SEVERAL WEEKS, AS BRAND NAME DEAD- LINE HAS APPROACHED, NUMBER OF PRESS ARTICLES RELEASED THROUGH MINHEALTH HAVE NOTED " DRASTIC" DECREASE IN GENERIC DRUG PRICES COMHARED WITH BRAND NAME DRUGS. THESE ARTICLES HAVE REPORTED PRICE DROP FOR GENERIC DRUGS OF UP TO THOUSAND (SIC) PERCENT. DESPITE SUCH ARTICLES DESIGNED CONVINCCE PUBLIC OF SUCCESS GENERIC DRUG ACT, SURVEY ACTUAL RETAIL PRICES BY CONGEN STAFF SHOWED THAT THE FEW GENERIC PRODUCTS WHICH HAVE SO FAR COME ON MARKET ARE BEING SOLD EITHER AT SAME PRICE AS BRAND NAME PRODUCTS OR WERE UP TO 20 PERCENT MORE EXPENSIVE. IN ONE OR TWO CASES WHERE GENERICS APPEARED CHEAPER, THE GENERIC PRODUCT WAS OF MUCH LESS POTENCY THAN BRAND NAME PRODUCT AND THEREFORE WOULD HAVE TO BE TAKEN IN LARGER QUANTITIES FOR SAME EFFECT. APPEARS THAT EXTRAVAGANT CLAIMS MINHEALTH REGARDING PRICE DECREASES HERTAIN TO RECENT BIDS ON BULK DRUG ORDERS FROM GOVERNMENT INSTITUTIONS, WHICH HAVE, ACCORDING ADMISSION DRUG MANU- FACTURERS, SHOWED DECREASE OWING NEW COMPETITION DESCRIBED PARA 5.
TIGER

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PAGE 01 KARACH 00520 02 OF 02 071021 Z

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ACTION COME-00

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LIMITED OFFICIAL USE SECTION 2 OF 2 KARACHI 0520

5. WHILE RETAIL PHARMACISTS CONTINUE RESISTANCE TO GENERIC ACT LARGELY BECAUSE OF POTENTIAL LOSS FROM CURRENT INVENTORY, DRUG MANUFACTURERS, WITH WHOM DPO HAS MET ON SEVERAL OCCASIONS RECENTLY, MORE WORRIED ABOUT LOW QUALITY COMPETITION AND POSSIBLY MINHEALTH PRICING POLICY IF SUCH COMPETITION FAILS HAVE EFFECT ON PRESENT PRICE STRUCTURE. INDUSTRY PLANNING TO COUNTER WHAT THEY BELIEVE TO BE HIGHLY DANGEROUS AS WELL AS FINANCIALLY DAMAGING ACTION MINHEALTH IN GRANTING DRUG MANUFACTURING LICENSES ALMOST WITHOUT RESTRICTION TO FIRMS WHICH APPARENTLY WITHOUT QUALIFICATION OR PREVIOUS EXPERIENCE THIS SPECIALIZED FIELD AND WHICH THEREFORE UNABLE REGULATE QUALITY AND PURITY THEIR PRODUCTS. ACCORDING ADVISE FROM PAKISTAN PHARMACEUTICAL MANUFACTURERS' ASSOCIATION (PPMA), 1,300 NEW DRUG LICENSES HAVE BEEN ISSUED IN LAHORE AND 1,000 IN KARACHI TO PERSONS WHO MAY HAVE INSTALLED OLD PILL MAKING MACHINES IN UNHYGIENIC WORK SHOPS. PPMA HAS DISCUSSED PROBLEM SUCH LOW QUALITY COMPETITION WITH NORBERT TAMBLYN REGIONAL DIRECTOR OF PMA OF U. S. WHO HAS JUST COMPLETED VISIT TO KARACHI. PPMA HAS DECIDED CONDUCT TESTS ON SUSPECTED LOW QUALITY GENERIC DRUGS THROUGH OWN RESOURCES AND IS ALSO CONSIDERED

SCHEME WITH HELP OF TAMBLYN, TO PROVIDE DRUG QUALITY EXPERTS TO MINHEALTH, EITHER THROUGH BURROUGHS WELCOME FOUNDATION IN U. K. OR, IF POSSIBLE, THROUGH BRITISH LIMITED OFFICIAL USE

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PAGE 02 KARACH 00520 02 OF 02 071021 Z

GOVERNMENT. (WE THINK THIS IS A NON- STARTER.)

6. COMMENT: TROUBLES RESULTING FROM MANNER IN WHICH MINHEALTH HAS, WITH MINIMUM CONSULTATION INTERESTED PARTIES, IMPOSED GENERIC LAW ON DRUG MANUFACTURERS, RETAIL PHARMACISTS AND MEDICAL PROFESSION WHO, TO VARYING DEGREES AND FOR VARYING REASONS, HAVE ALL HAD STRONG RESERVATIONS AGAINST LAW, NOW COMING HOME TO ROOST ON DOOR STEP OF DEDICATED BUT IMPRACTICAL HEALTH MINISTER. WE BELIEVE WILL BE CONSIDERABLE TIME BEFORE GENERIC SYSTEM GETS INTO SMOOTH OPERATION, IF THIS EVER HAPPENS UNDER LAW AS PRESENTLY CONSTITUTED. AS REPORTED EARLIER MESSAGES, CONTINUES TO BE HOPE OF DRUG INDUSTRY THAT SHEIK RASHID WILL BE MOVED TO LESS SENSITIVE POSITION FOLLOWING CONSTITUTIONAL SETTLEMENT AND GENERIC ACT SUBSEQUENTLY MODIFIED, ALTHOUGH DRUG MANUFACTURERS BELIEVE THAT, IN FACE NEWLY UNITED ASSEMBLY OPPOSITION, PRESIDENT BHUTTO NEEDS NATIONAL

ASSEMBLY VOTES CONTROLLED BY RASHID MORE THAN EVER,
AT LEAST UNTIL CONSITITUTION PASSED.
TIGER

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